GOVERNMENT OF INDIA
DEFENCE
LOK SABHA

UNSTARRED QUESTION NO:3015
ANSWERED ON:21.03.2002
WASTEFUL EXPENDITURE IN DEFENCE INSTALLATION
RAGHUNATH JHA

Will the Minister of DEFENCE be pleased to state:

(a) whether in spite of 522.21 lakh unutilised man hours during 1994-95 to 1999-2000, Vehicle Factory, Jabalpur, resorted to overtime work of 229.05 man hours involving payment of Rs. 52.51 crore as has been pointed out by CAG in its Audit Brochure 2001;

(b) if so, the reaction of the Government thereto and the action taken against the erring officials in this regard;

(c) the measures taken to avoid such wasteful expenditure in the defence installations;

(d) whether the CAG has also brought out low capacity utilisation of factory and incurring expenditure without sanction etc; and

(e) if so, the reaction of the Government thereto and the action taken to bring about improvement and proper control and supervision of the Government over the working of the vehicle factory at Jabalpur and elsewhere in the country?

Answer

MINISTER OF DEFENCE (SHRI GEORGE FERNANDES)

(a) to (e): A Statement is attached.

STATEMENTREFERRED TO IN REPLY TO PARTS (a) TO (e) OF LOK SABHA UNSTARRED QUESTION NO. 3015 21.3.2002

Vehicle Factory, Jabalpur (VFJ) was producing Shaktiman and Nissan vehicles earlier.Both these vehicles were phased out and production of Stallion and LPTA vehicles started from March 1998 under the `Transfer of Technology` (TOT) agreement with M/s Ashok Leyland and Telco respectively. The production initially started using Semi Knocked Down (SKD) and Completely Knocked Down (CKD) assemblies/sub-assemblies supplied by the Original Equipment Manufacturers (OEM) viz. Ashok Leyland and Telco and the backward integration/manufacture of components/Sub assemblies etc were progressively established at VFJ.The phased manufacturing plan covers all the major sub-assemblies/assemblies except engines and cabin assembly. During the process of development, VFJ has to use manpower for inhouse development and manufacture of tools, gauges, fixtures, equipments etc. required for bulk production of components in addition to development and productionisation of the aggregates. The output man hours is computed on the basis of time required for the finished products and therefore does not account for the time required for development/productionisation of aggregates.

The unutilized Direct Labour was 86.55 lakh man hours between 1994-1995 and 1999-2000 (Direct input man hours - 612.76 lakh and output man hours - 526.21 lakh) and not 522.21 lakh man hours as calculated by CAG was actually utilized by VFJ for development of the aggregates of the new vehicles. Working on overtime in selective areas was needed to (I) synchronise the development process of all the aggregates so that these are available simultaneously for faster development and
(ii) execute the Indents received from the Army for new generation vehicles with a short lead time within the time frame desired by the indentor. Expenditure on overtime was incurred with due scrutiny and output overseen at corporate level by Ordnance Factory Board.